

## **Details of 2005 pay adjustments for FAA employees:**

**Core Plan employees.** Eligible Core Plan employees (i.e., those meeting the minimum service, performance, and conduct requirements), including employees in most bargaining units under the Core Plan, will receive an Organizational Success Increase (OSI) of 3.15 percent. Employees who currently receive locality pay will also see an *average* increase in their locality pay percentage of 1 percent. In addition, approximately 65 percent of Core Plan employees who have been designated to receive a Superior Contribution Increase (SCI) will receive an additional increase of 0.6 percent for SCI-2, or 1.8 percent for SCI-1. The OSI and SCI adjustments and new locality pay percentages will all be effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005.

**How the OSI amount is computed:** The OSI funding pool consists of the amount of the general increase for General Schedule (GS) employees in other Federal agencies plus an additional 1 percent, which reflects a portion of the funds previously spent on within-grade increases. For this year, GS employees will receive an *average* increase of 3.5 percent – 2.5 percent for the GS general increase plus an *average* 1 percent increase in locality pay. This results in a total OSI pool of 3.5 percent (2.5 percent general increase plus 1 percent). The OSI for this year will be 90 percent of the total pool, which results in 3.15 percent.

**PASS/Airway Facilities bargaining unit employees.** Eligible employees in the PASS/Airway Facilities bargaining unit (those meeting minimum service and performance requirements) will receive an OSI of 3.15 percent, plus an *average* locality pay increase of 1.0 percent. In addition, about 70 percent of PASS/Airway Facilities bargaining unit employees have been designated to receive an SCI and will receive an additional increase of 0.8317 percent. The OSI, SCI, and locality pay adjustments will all be effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005.

**NATCA/Air Traffic Pay Plan.** Employees in the Air Traffic pay plan will receive an OSI of 3.3 percent. The first 2.5 percent portion of the OSI is effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005. The second 0.8 percent portion of the OSI will be effective in June 2005. Employees in the Air Traffic pay plan will also receive an *average* locality pay increase of 1.0 percent, effective January 9, 2005. Air Traffic pay plan employees may also receive an SCI in June 2005 based on the SCI process negotiated with NATCA that measures performance against four specific measures.

**NAATS bargaining unit employees.** Eligible employees in the NAATS bargaining unit (those meeting minimum service and performance requirements) will receive an OSI of 3.15% plus an additional 0.6% in lieu of the SCI, and an *average* locality pay increase of 1.0 percent. The OSI and locality pay adjustments will be effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005.

**NATCA/Airway Facilities Engineers bargaining unit employees.** Eligible employees in the NATCA/Airway Facilities Engineers bargaining unit will receive an OSI of 3.5 percent and an SCI of 0.6 percent, both of which will be effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005.

**Executive Pay Plan.** Eligible employees in the executive pay plan will receive a merit increase of 2.5 percent, and will also receive the *average* locality pay increase of 1 percent. Both adjustments will be effective on January 9, 2005, and will first appear in paychecks on February 1, 2005. Decisions regarding payment of Short Term Incentives and SCIs for executives will be announced at a later date.

**Employees in FG and FM pay plans.** Employees in the FG and FM pay plans will receive the same 2.5 percent pay increase as is being provided to Federal General Schedule (GS) employees, plus the *average* 1.0 percent locality pay increase. The increases will be effective January 9, 2005, and will first appear in employees' paychecks issued on February 1, 2005.

**Locality Pay.** As described above, FAA continues to follow the Federal locality pay program, which will result in an *average* locality pay increase of 1 percent for all FAA employees currently receiving locality pay. The specific locality pay percentages, effective January 9, 2005, are available on the FAA employee website at [http://employees.faa.gov/jobs\\_pay/pay/](http://employees.faa.gov/jobs_pay/pay/). Locality pay does not apply to employees in Alaska, Hawaii, U.S. territories, and foreign locations; employees in these locations receive either a cost-of-living allowance or a post differential.

**Pay Bands.** There will be no change in the Core or Executive pay bands at this time.

**Additional Information.** Questions about the pay adjustments may be referred to your servicing human resource management division, or to the AHR Policy Management Division, AHP-300, at (202) 385-8004.